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STATE OF NEW JERSEY
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Celeste Fasone
Director

Office of Cable Television
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VIA FEDERAL EXPRESS

August 9, 1993

Hon. William F. Caton
Acting Secretary
Office of the Secretary
Federal Communications Commission
Washington, DC 20554

AUG 10 1993

FCC MAIL ROOM

Re: In the Matter of Implementation
of Section 17 of the Cable
Television Consumer Protection
and Competition Act of 1992

ET Docket No. 93-7

Compatibility Between Cable
Systems and Consumer Electronics
Equipment

Dear Mr. Caton:

Enclosed please find an original and 13 copies of the
reply comments of the Staff of the New Jersey Office of Cable
Television for filing in the above matter. We have included
copies for the Chairman, each Commissioner, Mr. Bruce Franca
and Mr. Alan Stillwell.

Kindly place the Office on the service list for this
docket.

Please return one copy marked "Filed" in the enclosed
addressed, stamped envelope.

Thank you for your consideration.

Very truly yours,

Celeste M. Fasone,
Director

RBW/et

Enclosures

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

FILED

AUG 10 1993

In The Matter Of

FCC MAIL ROOM

Implementation of Section 17

Of the Cable Television

ET Docket No. 93-7

Consumer Protection and

Competition Act of 1992

Compatibility Between

Cable Systems and Consumer

Electronics Equipment

Comments of the Staff of the State of
New Jersey, Office of Cable Television of
the Board of Regulatory Commissioners
on Industry Proposal

The Staff of the State of New Jersey, Office of Cable Television (hereinafter "NJOC-TV") of the Board of Regulatory Commissioners (hereinafter "Board"), respectfully submits the following comments regarding the Industry Proposal/ Supplemental Comments submitted by the Cable-Consumer Electronics Compatibility Advisory Group to the Federal Communications Commission (hereinafter "Commission") on July 21, 1993. The Board has broad regulatory authority over cable television operations in the State of New Jersey pursuant to N.J.S.A. 48:5A-1 et seq., and is the franchising authority for New Jersey cable television systems.

The staff of the NJOCTV has reviewed the Industry Proposal submitted by the Cable-Consumer Electronics Compatibility Advisory Group ("Advisory Group") and is encouraged by the open dialogue between representatives of the cable and consumer electronics industries. We would like to comment on each of the points submitted in the proposal.

I. OVERVIEW

We agree with the Advisory Group that the needs and wants of consumers must be paramount in any discussion involving compatibility issues. As long as consumer's interests are protected, there is no need to interfere with the ability of either industry to achieve their individual goals. The issue of the cable industry's use of scrambling as a method of signal security is an excellent example. As maintained in our April 20, 1993 Reply Comments ("RECOMMENDATIONS", Sec. I), scrambling is a necessary and permanent part of the cable landscape.

By recognizing that scrambling will, of necessity, continue to be employed, the Advisory Group appears to have made progress on agreements making scrambling more transparent to consumers while retaining it as a viable technical method of securing signals. These agreements include freedom for the cable industry to experiment with and introduce innovative services prior to the development of uniform standards, as well as eventual subscriber ownership of consumer electronics equipment once a particular

technology is recognized. We do remain concerned, however, that a wide variety of scrambling methods may be "recognized" and will be inherently susceptible to compatibility problems due to the number of methods employed (i.e., consumer purchased equipment may still be rendered useless if relocated to a different cable system).

The NJOCTV's Reply Comments ("RECOMMENDATIONS", Sections IV, V) stressed the importance of the adoption of an interface standard which would promote consumer electronics compatibility with scrambling technologies, and adoption of standards for emerging technologies. We note that the Advisory Group agreed with our initial comments in their overview. The adoption of digital transmission/compression standards and a standard Decoder Interface compatible with these standards are precisely the type of long term solutions which will permanently solve the compatibility issue.

II. SHORT-TERM MEASURES

The NJOCTV agrees with the Advisory Group that any plan to permanently improve compatibility issues will take a long period of time to be fully implemented. We are aware that few short-term remedies are available to alleviate the current situation and none of these remedies are ideal. As indicated previously, we are convinced that most of the available solutions will make only a small impact towards resolving existing incompatibility issues.

The short-term solutions outlined do, however, represent the best options available at this time. If even a limited number of new devices such as descrambler/converters with RF bypass circuitry or units with dual descrambled outputs were deployed, at least some progress would be made. Less attractive options include external RF bypass (using a splitter), descrambler/converters with built-in timer functions, or use of a second descrambler/converter. We also agree that much greater emphasis should be placed on assisting consumers with compatibility options and procedures. Our experience suggests that some cable operators would benefit from more in-house training in this regard, as even some cable industry employees seem unaware of consumer options available within their own system.

There are three other items in this section which we would like to address:

Scrambling of the Basic Tier

Our recommendation that limitations should be placed on scrambling of the basic tier until such time as an operator has met new compatibility standards was only partially addressed in the Advisory Group's comments. While it was recognized that the basic tier will be unscrambled in nearly all cases, we favor the more stringent requirement addressed in our Reply Comments ("RECOMMENDATIONS", Sec. II.) which states that the Commission should prohibit scrambling by operators of the basic tier until such time as the cable

operator is able to demonstrate that compatibility with consumer electronic devices within its system will not be adversely affected. The Board's experience, as outlined in our Reply Comments ("HISTORY", pp. 2-5, i.e. Riverview Cablevision discussion), suggests that consumer dissatisfaction with regard to incompatibility has historically peaked when a feature formerly available to them is subsequently lost. Unfortunately, this loss of features affects large numbers of consumers each time scrambling is increased within a cable system.

Use of "Universal Remotes"

NJOCTV believes the adoption of standard infrared ("IR") codes as suggested by Sony Corporation of America¹ and elaborated upon in our Reply Comments ("RECOMMENDATIONS", Sec. IV) is an essential component of improving compatibility. Without these standards, universal remotes which are useful now may quickly become obsolete. We urge the Commission to take this into account when considering information regarding means of assuring compatibility between consumer electronics equipment and cable systems.

Other New Technology Alternatives

The Advisory Group discusses the limitations of

¹ Comments of Sony Corporation of America, p. 15 (filed March 22, 1993 in response to the original Notice of Inquiry).

"In-The-Clear" approaches such as traps, interdiction and broadband descrambling which make them unsuitable for universal deployment or as mandatory solutions. We agree that no one particular method should be prescribed or mandated, but reiterate the point made in our Reply Comments ("RECOMMENDATIONS", Sec. IV) that "eventual development of broadband descrambling would seem to hold the greatest promise of solving all compatibility concerns...". While broadband descrambling and other similar technologies may not be suitable in all applications, they may come closest to approaching a "100% solution". We remain concerned that each of the other short-term solutions proposed typically address only one particular problem at a time.

As indicated in the record, compatibility goals include:

- (1) The ability to view one program while taping a second program;
- (2) Consecutive taping of programs on different channels; and
- (3) Allowing the use of advanced television picture generation and display features.

Even if the short-term solutions outlined by the Advisory Group were implemented together, goal (3) would not be achieved unless an "In-The-Clear" technology is used. Picture-In-Picture television receivers are now being

manufactured to provide several picture "insets" simultaneously, and Multiple Picture Scan televisions require delivery of many unscrambled channels simultaneously. The "In-The-Clear" approaches are currently the only technologies that would work in this scenario.

While not advocating any one particular solution, we urge the Commission to consider creating incentives to promote industry migration from the existing non-consumer compatible scrambling techniques to more consumer friendly "In-The-Clear" approaches, and to recognize the impact that any capital improvement incentives might have in a rate-regulated environment.

III. LONGER-TERM MEASURES

The NJOCTV is in full agreement with the Advisory Group's recommendation that use of the term "cable-ready" or any other similar term, should only be allowed on receivers and VCRs that incorporate a Decoder Interface and meet certain front-end design specifications. The Advisory Group's comments parallel our Reply Comments closely in regards to the interface standard ("RECOMMENDATIONS", Sec. III.). We would point out, however, that while better interindustry dialogue regarding the increasing capacity of cable systems is a laudable goal, tuning functions designed into receivers and VCRs could quickly become obsolete with unforeseen technological advancements. While we agree with keeping the tuning function as part of consumer electronics

equipment, we urge the consumer electronics industry to consider modularity for this portion of their equipment.

Finally, we urge the Commission to continue seeking the input of the Advisory Group in regards to the development of the Decoder Interface standard, as well as research by their subcommittee which will explore digital television standards. As we discussed in Section V of our Reply Comments, the best time for the adoption of standards would be concurrent with development and testing, but before widespread deployment. The NJOCTV also wishes to restate its recommendation that the FCC adopt similar compatibility standards for emerging competitive multichannel video programming distributors. We expect these new types of distribution services will emerge quickly, and the application of compatibility standards to all of these groups represent the only means of assuring continued compatibility into the future.

IV. CONCLUSION

The NJOCTV believes that the comments of the Advisory Group represent a well developed framework for short-term and long-term solutions to the consumer electronics and cable system compatibility issue. We respectfully request consideration of the ideas contained herein, which we believe expand and improve upon the comments presented by the Advisory Group.